



Request for Proposal for Master Servicer

Application Deadline: July 18, 2016

Proposals must be received at via electronic submission no later than 4:00 p.m. on Monday, July 18, 2016, followed by the submission of an original within 2 days. For more information contact:

Julie Stahl
Minnesota Housing
400 Sibley St., Suite 300
St. Paul, MN 55101
651.296.9811 (Phone) 651.296.8292 (Fax)
julie.stahl@state.mn.us
1.800.710.8871 (Toll Free)
651.297.2361 (TTY)

Minnesota's Commitment to Diversity and Inclusion

The State of Minnesota is committed to diversity and inclusion in its public procurement process. The goal is to ensure that those providing goods and services to the State are representative of our Minnesota communities and include businesses owned by minorities, women, veterans, and those with substantial physical disabilities. Creating broader opportunities for historically under-represented groups provides for additional options and greater competition in the marketplace, creates stronger relationships and engagement within our communities, and fosters economic development and equality.

To further this commitment, the Department of Administration operates a program for Minnesota-based small businesses owned by minorities, women, veterans, and those with substantial physical disabilities. For additional information on this program, or to determine eligibility, please call 651-296-2600 or go to www.mmd.admin.state.mn.us/mn02001.htm.

Background

The Minnesota Housing Finance Agency (the Agency or Minnesota Housing) seeks to select through this RFP, a master servicer for its home mortgage programs, which are funded through both tax-exempt bond and secondary market channels. Responders must be engaged in the business of servicing residential mortgage loans, qualified to do business in the State of Minnesota and approved by Ginnie Mae as an issuer and Fannie Mae and Freddie Mac as a seller/servicer. The contract will cover an initial term of 2 years with an option to extend to 5 years.

Minnesota Housing intends to select a master servicer that will provide purchasing, pooling, selling and servicing of Mortgage Loans and consulting on overall program design and loan performance. Multiple participating lenders (currently 96 companies) originate the loans for sale to the master servicer under the FHA, VA, USDA-RD, Freddie Mac HFA Advantage, Fannie Mae HFA Preferred and Fannie Mae HFA Preferred Risk Sharing products.

Minnesota Housing finances affordable housing for low- and moderate-income Minnesotans while fostering strong communities. In its current annual affordable housing plan, Minnesota Housing will invest \$966 million assisting 65,000 households to further our five strategic priorities:

- Housing with Federal Project-Based Rental Assistance
- Reduce Minnesota's Racial and Ethnicity Homeownership Disparity
- Address specific and critical needs in rental housing markets
- Prevent and end homelessness
- Finance Housing Responsive to Minnesota's Changing Demographics

For more than 40 years, Minnesota Housing has worked to provide access to safe, decent and affordable housing and to build stronger communities across the state. It has a national reputation as one of the finest housing finance agencies in the country and has built an enduring alliance among partners in the for-profit, non-profit and government sectors to achieve its mission.

Agency Financing Plans

Single family first mortgage loan production totaled approximately \$675 million in the most recent program year, and the Agency anticipates a similar level of production in this program year. Approximately 86% of the loans purchased have a corresponding second mortgage. This production was funded from a variety of sources including: (1) the sale of pass-through bonds under the Agency's Homeownership Finance Bonds Resolution, (2) the sale of traditionally structured housing bonds (combined with refunding bonds) under the Agency's Residential Housing Finance Bond Resolution, (3) the Agency's balance sheet, (4) the sale of Mortgage Backed Securities (MBS) in the secondary market and (5) whole-loan cash sales to the GSEs.

The following chart summarizes production under the Minnesota Housing MBS mortgage revenue bond first time homebuyer and TBA programs for the past four years.

Calendar Year	Number of Loans Purchased	Dollar Volume of Loans Purchased
2012	2,400	\$278,522,856
2013	2,944	\$391,265,094
2014	2,982	\$409,553,069
2015	4,164	\$621,811,850

Essential Roles and Services

The Agency is requesting proposals from qualified servicing firms to provide master servicing for Agency homeownership programs. The Agency intends to enter into a contract with the selected firm that will begin on a date to be specified in the contract and is subject to satisfactory performance.

Expected Master Servicer responsibilities include:

- Participate in lender approval and management to determine network of participating lenders
- Accept loans underwritten via Fannie Mae Desktop Underwriting® and Freddie Mac Loan Prospector® and other automated underwriting systems as agreed to by Minnesota Housing. Accept loans manually underwritten to VA, FHA, and USDA-RD, and GNMA/Fannie Mae and Freddie Mac Guidelines
- First mortgage loan review and purchase
- Simultaneous down payment loan review and purchase
- Purchase loans from participating lenders servicing released, advance funds for the servicing release premium, and advance funds for the Minnesota Housing purchase of junior liens
- Facilitate Minnesota Housing whole loan purchases for loans that don't meet securitization requirements
- Provide quality customer service, including communication and consultation with the Minnesota Housing lender network regarding operational issues such as the loan purchase process and requirements, final documents, regulatory requirements and lender payment
- Participate in training collaboratively with Minnesota Housing by ensuring current training materials are available to lenders, holding an annual training for lenders at an agreed upon location as well as offering periodic and/or ad hoc lender training via teleconference, webinar or eLearning
- Perform document custodian activities for Minnesota Housing mortgage revenue bond and down payment and closing cost loan documents, including confirmation that all Minnesota Housing documents are present, complete and correctly executed
- Pool loans for securitization per Minnesota Housing instruction
- Facilitate delivery and settlement of whole-loan cash sales to GSEs
- Issue Government National Mortgage Association (GNMA or Ginnie Mae) certificates (GNMA 1 and GNMA II)
- Pool and deliver loans to Fannie Mae and Freddie Mac in exchange for securities
- Sell securities and/or certificates to Minnesota Housing
- Repurchase non-conforming loans for resale to the originating lender
- Repurchase Fannie Mae Preferred Risk Sharing™ loans for reimbursement by Minnesota Housing
- Service all program loans

- Service first mortgages in compliance with CFPB, Ginnie Mae, Fannie Mae and Freddie Mac requirements
- Service junior liens in compliance with CFPB
- Service loans with a loss mitigation strategy that supports successful homeownership
- Consult with Minnesota Housing on regulatory compliance and other loan program issues
- Post-closing quality control review and reporting
- Provide Minnesota Housing with the data required for program management, lender performance review, IRS reporting, bond sales, and portfolio management
- Provide information on a quarterly basis as to the number of lender loan repurchases, both standard repurchases and early payment default repurchases, and lender retained loans

Expected Minnesota Housing responsibilities include:

- Program design, including the creation of Minnesota Housing program and process manuals and forms
- Participate in lender approval and management to determine network of participating lenders
- Business development activities for lenders, real estate agents and other key partners
- Lender communication, training, technical assistance and help desk on Minnesota Housing program guidelines
- Loan commitment, pipeline management and bond compliance approval via the Minnesota Housing loan origination system
- Schedule for acquisition, pooling and sale of mortgage backed securities
- Instructions regarding the pooling of loans for securitization
- Purchase securities and/or certificates
- Commit and/or settle whole-loan sales with GSEs
- Monitor lender performance based on data and reports provided by the master servicer
- Monitor Master Servicer performance per agency and CFPB guidelines

Threshold Requirements and Proposal Evaluation – confirm you meet the below requirements

Submitting entities must meet the following thresholds for consideration under the selection criteria:

- Engaged in the business of servicing residential mortgage loans
- Qualified to do business in the State of Minnesota and meet the State’s General Requirements detailed in Appendix 1
- Provide Agency essential roles and services, (listed on page 3), and meet CFPB servicing requirements

- Approved by Ginnie Mae to sell and service mortgage loans having FHA Insurance or a VA Guaranty, an RHS Guaranty or a HUD Guaranty, is a FHA/VA approved mortgagee, meets all the issuer eligibility requirements of Ginnie Mae and is approved by Ginnie Mae to issue mortgage backed certificates guaranteed by Ginnie Mae
- Approved by Fannie Mae and Freddie Mac to sell and service conventional mortgage loans, meets all of the issuer eligibility requirements of Fannie Mae and Freddie Mac and is approved by Fannie Mae and Freddie Mac to deliver qualified mortgage loans to Fannie Mae and Freddie Mac to back Fannie Mae and Freddie Mac certificates and is approved to service such mortgage loans
- Experience with state and/or local housing finance authorities in a MRB MBS program
- Capacity to purchase loans on a daily basis
- Ability to service a variety of junior liens, including deferred and amortizing loans
- Ability to import data from Minnesota Housing's loan origination system
- Ability to provide an export of compiled information including the data fields gathered by the Master Servicer from lenders
- Strong customer service orientation to participating lenders and collaborative business partner with Minnesota Housing

Required Information

All applicants must provide the following information regarding their company:

General

- Provide the goals for your organization's HFA business
- Provide a copy of your company's most recent audited financial statement
- Minnesota Housing is exploring the option of becoming a Seller/Servicer with servicing outsourced to a subservicer. There are many projects such as the implementation of a new loan origination system that need to be completed before the decision to do so is made. Please describe how your organization could potentially support Minnesota in implementing this contemplated long-term business model change in the future.

Organizational Structure and Experience

- Describe your company, including number of years of operation and number of years of experience as master servicer for similar homeownership programs. Provide information regarding your experience as master servicer for other state or local MRB MBS programs. Include references with names and contact information.
- Describe your company's qualifications and experience in purchase, securitization, secondary market/TBA and servicing. Include company's status with FHA, VA, RD, Ginnie Mae, Fannie Mae, and Freddie Mac.

- Describe your company's organization & management structure including any organizational or ownership changes within the last 12 months and anticipated within the next 24 months and provide relevant organizational charts.
- Describe the HFA program decision making process for loan production, operations, and servicing issues. Does HFA staff have access to the decision makers?
- Provide the location(s) where the required services shall be performed and indicate if any of the services will be outsourced.
- Provide a staffing description for those personnel who shall be assigned to Minnesota Housing, nature of work they would perform and number of years of experience with appropriate organizational charts.
- Provide the total number of HFA loans purchased and the total number of HFA loans currently serviced by your company as of the end of your most recent fiscal year.
- Describe how the organizational and management structure will provide for the coordination and reconciling of all the functions to be performed by the master servicer.

Portfolio Performance and Ratings

- For your HFA program, provide annual production volumes and HFA portfolio performance for the most recent 5 years including delinquency rates as a percent of loans at 30-days, 60-days, 90+ days delinquent (excluding loans in foreclosure), loans in foreclosure and the dollar amount of loans currently serviced by product type.
- Provide the most recent ratings, if applicable, by third party rating agencies including customer service rating, regulatory rating, FHA tier rating, and credit rating. Include the following:
 - FHA Scorecard
 - Fannie Mae STAR Performance Scorecard Report
 - Freddie Mac Servicer Success Scorecard
- Describe how you manage loan performance across all your HFA clients. Describe consequences, if any, to Minnesota Housing if another state's loan performance was significantly below the average of your HFA portfolio or if the average of your HFA portfolio was significantly below the loan performance of Minnesota Housing loans.

Regulatory Compliance

- Discuss your compliance oversight activities and controls and how your organization manages these tasks.
- Describe how you partner with your HFA clients to ensure compliance with regulatory requirements in the following areas:
 - Lender management
 - Loan file reviews of both regulatory and mortgage revenue bond compliance
 - Servicing

- Vendor management
- Other

Products and Programs

- Describe how you partner with your HFA clients during the development of new products and programs
- Describe how your organization evaluates credit risk and makes decisions on any program overlays or program changes, and how your client's specific loan performance is or is not considered in those decisions.
- List all credit overlays and other overlays applicable to FHA, RD, VA, Fannie Mae, Freddie Mac products. Describe the ability of clients to negotiate changes to overlays.
- Confirm your organization's ability to master service the following loan programs offered by Minnesota Housing: FHA, Rural Development Guaranteed Loans, VA, Fannie Mae HFA Preferred™, Fannie Mae HFA Preferred Risk Sharing™, Freddie Mac HFA Advantage™, Deferred Payment Loan and Monthly Payment Loan.

Lender Management

- Describe your company's role in lender approval for participation in the programs.
- Describe your company's ability to manage lender relations and provide lender communication, training and consultation. In addition, describe lender performance evaluation and reporting.
- Indicate if your company has the ability to work with correspondent lenders.
- Describe any planned or anticipated changes to your company's current lender management policies and processes.

Loan Review and Purchase Process

- Describe your company's proposed loan purchase service level and technology. For calendar days, provide both the standard and the current performance.
 - Identify the number of calendar days from the receipt of a lender file to file review completion.
 - For loans with no exceptions, identify the number of calendar days from file review completion to loan purchase.
 - Describe your company's approach to communicating file exceptions and assisting lenders in clearing exceptions so that loans are purchased in compliance with Minnesota Housing's commitment policy.
 - Upon receipt of complete information from the lender, identify the number of calendar days to clear exceptions.
 - Describe the loan purchase process and the technology used to facilitate communication with lenders, loans package receipt and loan purchase.

- Discuss your customer service approach to lenders and service level agreements.
- Describe any planned or anticipated changes to your company's current purchase review process.
- Describe loan level federal and state regulatory review procedures (provide a checklist if available)

Technology Support

- Describe the technology systems used by your company to:
 - Manage loan record information to insure program or other applicable compliance components
 - Facilitate data transfers (such as a data diagram that describes the data flow)
 - Reporting
 - Manage loan inventory, i.e. Pipeline Management
 - Manage client access to such systems (i.e., lenders and Minnesota Housing), including security protocols and compliance.
- Describe your ability to exchange data with Minnesota Housing, including any specific file formats you may require or that you support plus any extra requirements needed to share data
- Describe change management and prioritization process, including timing of change notifications
- Provide your data validation procedures and describe your approach to data integrity
- Summarize your Business Continuity and Disaster Recovery Plans and willingness to share these plans with Minnesota
- Provide documentation of your most recent data security audit(s) and describe the protocols you follow to insure data security.

Servicing

- Describe your approach/philosophy to servicing and general servicing procedures
- Provide your FHA, Fannie Mae, Freddie Mac ratings and most recent servicing GSE audit reports
- Provide a description of your loss mitigation strategy, and how it supports successful homeownership with target populations.
- If you provide additional servicing steps to promote the goal of successful homeownership, please describe them in detail and how they differ from the required servicing guidelines.
- Describe your company's ability to administer and service junior liens (down payment and closing cost loans), including whether your company can service multiple junior liens per property, accommodate a separate loan purchase date on the junior lien, and service junior liens not associated with the purchase of a first mortgage.
- Describe your policy on cross-selling and intended use of Minnesota Housing program borrower names and addresses.

- Describe your approach to customer service including the following:
 - Call center and other customer support hours of operation
 - Customer contact service levels goals
 - Do you conduct customer satisfaction surveys? If so, please provide results.
 - Describe your servicing group's ability to manage multiple languages and overall accessibility options
 - Customer complaints

Secondary Marketing

- Describe your loan reservation management process
- Describe the loan status/loan stage type of data fields transmitted to Minnesota Housing to facilitate estimation of loan pull through rates
- Describe your pooling/loan securitization process through sale of securities/certificates to Minnesota Housing
- Indicate the number of days (specify business or calendar) required to pool and settle Fannie, Freddie, and Ginnie MBS with Minnesota Housing, upon receipt of pooling instructions from Minnesota Housing.
- Provide examples of loan/MBS settlement documents, so Minnesota Housing can determine adequacy for Accounting and trustee purposes
- Provide a list that includes the name and address of all trustees

Lender and HFA Communication

- Describe methods of communication with lenders specific your company's origination policies, lender management, loan purchase process or other important elements of the Master Servicer's services.
- Describe how you deliver lender training.
- Describe the communication process when policy changes impacting Minnesota Housing are necessary.

Servicing Acquisition Fee Bid and other Financial Considerations

- Explain how Minnesota Housing and lender compensation work under your model and describe how you set pricing.
- If you will pay to Minnesota Housing a Servicing Acquisition Fee (SAF) please provide the following:
 - Proposed SAF to be paid to Minnesota Housing upon sale of the certificates to the trustee, assuming you are providing all of the essential roles and services listed below.

- SAF of cash delivery versus MBS delivery to GSE's

SAFs for Ginnie Mae, Fannie Mae and Freddie Mac MBSs for each of the servicing fee structures listed below:

Servicer Acquisition Fees (%)						
Monthly servicing fee	0.190%	0.315%	0.440%	0.565%	0.690%	0.250%
FHA						NA
RD						NA
VA						NA
Fannie Mae HFA Preferred™	NA	NA	NA	NA	NA	
Fannie Mae HFA Preferred Risk Share™	NA	NA	NA	NA	NA	
Freddie Mac HFA Advantage™	NA	NA	NA	NA	NA	

- If you would consider providing Minnesota Housing a strip of ongoing loan servicing fees, please explain that relationship, indicating the percentage (or range of acceptable percentages) of the strip.
- If you would consider a hybrid of the SAF and servicing-strip models, please explain that relationship, indicating the strip percentage (or range of percentages) and corresponding SAFs.
- Describe any alternative fee and pricing structures that you would consider and indicate willingness to partner with the HFA for best mutual pricing. What is timeframe to implement?
- Please provide the following other financial considerations:
 - Additional upfront, one-time and/or ongoing fees to be charged or paid by you for each of the optional roles and services indicated above.
 - Identify any cash advances or cash needs required by Minnesota Housing for the loan purchase and pooling process as well as ongoing loan servicing.
 - Describe your plan to warehouse loans under your business model:
 - Would your organization warehouse loans until settlement of loans/MBS with Minnesota Housing? Would your organization have sufficient warehousing capacity?
 - Would Minnesota Housing provide the loan warehousing? If so, please explain.
 - Would your organization consider either or both of these warehousing options?
 - Identify any other fees or expenses payable by Minnesota Housing or a borrower or seller in connection with your purchase of loans and creation of MBS.
 - Describe in detail the risks and liabilities that would be shared with an HFA. Please explain significance of those risks and liabilities along with likelihood of occurrence.

References

Provide references for two (2) Housing Finance Agencies, one (1) local lender, and one (1) national lender. Provide the contact name and information for each reference.

Site Visit

The Agency may perform a site visit of all or some respondents. Respondents may request to perform a site visit of Minnesota Housing.

Information Required Under Minnesota Statutes

Appendix 1 includes notifications and information required under Minnesota Statutes. Please read the appendix and supply any required information or signatures. Forms requiring signature may be duplicated for purposes of including them in your proposal. The required forms and information must be COMPLETED AND SUBMITTED with your proposal.

A brief cover letter signed in ink by an authorized member of the firm should accompany each proposal.

Send an electronic copy via e-mail of your proposal no later than 4:00 p.m., Central time, on July 18, 2016. The proposals should be addressed as follows:

julie.stahl@state.mn.us

Minnesota Housing Finance Agency

Julie Stahl

400 Sibley St., Suite 300

St. Paul, MN 55101

Terms and Conditions

The Agency reserves the right to reject any and all proposals or to select the proposal which best accomplishes the objectives of the Agency. The Agency reserves the right to request clarification and additional information from respondents. Prior to making the final decision, the Agency reserves the right to negotiate with the most favorable respondent, terms and conditions that may be different than proposed. The Agency estimates making a decision eight (8) weeks from when the RFP is due.

Questions and Requests for Clarification

Firms are invited to submit written questions and requests for clarification regarding the RFP via e-mail to julie.stahl@state.mn.us on or before 4:00 p.m., central time, July 13, 2016. Written responses to the questions will be sent via e-mail to all firms who have requested an RFP.

Appendix 1

State of Minnesota General Requirements

Affidavit of Noncollusion

Each responder must complete the attached Affidavit of Noncollusion and include it with the response.

Conflicts of Interest

Responder must provide a list of all entities with which it has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this request for proposals. The list should indicate the name of the entity, the relationship, and a discussion of the conflict.

Proposal Contents

By submission of a proposal, Responder warrants that the information provided is true, correct and reliable for purposes of evaluation for potential contract award. The submission of inaccurate or misleading information may be grounds for disqualification from the award as well as subject the responder to suspension or debarment proceedings as well as other remedies available by law.

Disposition of Responses

All materials submitted in response to this RFP will become property of the State and will become public record in accordance with Minnesota Statutes, section 13.591, after the evaluation process is completed. Pursuant to the statute, completion of the evaluation process occurs when the government entity has completed negotiating the contract with the selected vendor. If the Responder submits information in response to this RFP that it believes to be trade secret materials, as defined by the Minnesota Government Data Practices Act, Minnesota Statute § 13.37, the Responder must:

- clearly mark all trade secret materials in its response at the time the response is submitted,
- include a statement with its response justifying the trade secret designation for each item, and
- defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless the State, its agents and employees, from any judgments or damages awarded against the State in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives the State's award of a contract. In submitting a response to this RFP, the Responder agrees that this indemnification survives as long as the trade secret materials are in possession of the State.

The State will not consider the prices submitted by the Responder to be proprietary or trade secret materials. Notwithstanding the above, if the State contracting party is part of the judicial branch, the Release of data shall be in accordance with the Rules of Public Access to Records of the Judicial Branch promulgated by the Minnesota Supreme Court as the same may be amended from time to time.

Contingency Fees Prohibited

Pursuant to Minnesota Statutes Section 10A.06, no person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislation or administrative action.

Organizational Conflicts of Interest

The responder warrants that, to the best of its knowledge and belief, and except as otherwise disclosed, there are no relevant facts or circumstances which could give rise to organizational conflicts of interest. An organizational conflict of interest exists when, because of existing or planned activities or because of relationships with other persons, a vendor is unable or potentially unable to render impartial assistance or advice to the State, or the vendor's objectivity in performing the contract work is or might be otherwise impaired, or the vendor has an unfair competitive advantage. The responder agrees that, if after award, an organizational conflict of interest is discovered, an immediate and full disclosure in writing must be made to the Assistant Director of the Department of Administration's Materials Management Division ("MMD") which must include a description of the action which the contractor has taken or proposes to take to avoid or mitigate such conflicts. If an organization conflict of interest is determined to exist, the State may, at its discretion, cancel the contract. In the event the responder was aware of an organizational conflict of interest prior to the award of the contract and did not disclose the conflict to MMD, the State may terminate the contract for default. The provisions of this clause must be included in all subcontracts for work to be performed similar to the service provided by the prime contractor, and the terms "contract," "contractor," and "contracting officer" modified appropriately to preserve the State's rights.

Work Force Certification

For all contracts estimated to be in excess of \$100,000, responders are required to complete the attached Affirmative Action Data page and return it with the response. As required by Minnesota Rule 5000.3600, "It is hereby agreed between the parties that Minnesota Statute § 363A.36 and Minnesota Rule 5000.3400 - 5000.3600 are incorporated into any contract between these parties based upon this specification or any modification of it. A copy of Minnesota Statute § 363A.36 and Minnesota Rule 5000.3400 - 5000.3600 are available upon request from the contracting agency."

Equal Pay Certification

If the Response to this solicitation could be in excess of \$500,000, the Responder must obtain an Equal Pay Certificate from the Minnesota Department of Human Rights (MDHR) or claim an exemption prior to contract execution. A responder is exempt if it has not employed more than 40 full-time employees on any single working day in one state during the previous 12 months. Please contact MDHR with questions at: 651-539-1095 (metro), 1-800-657-3704 (toll free), 711 or 1-800-627-3529 (MN Relay) or at compliance.MDHR@state.mn.us.

E-Verify Certification (In accordance with Minn. Stat. §16C.075)

By submission of a proposal for services in excess of \$50,000, Contractor certifies that as of the date of services performed on behalf of the State, Contractor and all its subcontractors will have implemented or be in the process of implementing the federal E-Verify program for all newly hired employees in the United States who will perform work on behalf of the State. In the event of contract award, Contractor shall be responsible for collecting all subcontractor certifications and may do so utilizing the E-Verify Subcontractor Certification Form available at

<http://www.mmd.admin.state.mn.us/doc/EverifySubCertForm.doc>. All subcontractor certifications must be kept on file with Contractor and made available to the State upon request.

Insurance Requirements

- A. Contractor shall not commence work under the contract until they have obtained all the insurance described below and the State of Minnesota has approved such insurance. Contractor shall maintain such insurance in force and effect throughout the term of the contract.
- B. Contractor is required to maintain and furnish satisfactory evidence of the following insurance policies:

- 1. **Workers' Compensation Insurance:** Except as provided below, Contractor must provide Workers' Compensation insurance for all its employees and, in case any work is subcontracted, Contractor will require the subcontractor to provide Workers' Compensation insurance in accordance with the statutory requirements of the State of Minnesota, including Coverage B, Employer's Liability. Insurance **minimum** limits are as follows:

\$100,000 – Bodily Injury by Disease per employee
\$500,000 – Bodily Injury by Disease aggregate
\$100,000 – Bodily Injury by Accident

If Minnesota Statute 176.041 exempts Contractor from Workers' Compensation insurance or if the Contractor has no employees in the State of Minnesota, Contractor must provide a written statement, signed by an authorized representative, indicating the qualifying exemption that excludes Contractor from the Minnesota Workers' Compensation requirements.

If during the course of the contract the Contractor becomes eligible for Workers' Compensation, the Contractor must comply with the Workers' Compensation Insurance requirements herein and provide the State of Minnesota with a certificate of insurance.

- 2. **Commercial General Liability Insurance:** Contractor is required to maintain insurance protecting it from claims for damages for bodily injury, including sickness or disease, death, and for care and loss of services as well as from claims for property damage, including loss of use which may arise from operations under the Contract whether the operations are by the Contractor or by a subcontractor or by anyone directly or indirectly employed by the Contractor under the contract. Insurance **minimum** limits are as follows:

\$2,000,000 – per occurrence
\$2,000,000 – annual aggregate
\$2,000,000 – annual aggregate – Products/Completed

Operations The following coverages shall be included:

Premises and Operations Bodily Injury and Property Damage
Personal and Advertising Injury
Blanket Contractual Liability

Products and Completed Operations Liability
Other; if applicable, please list Minnesota Housing Finance Agency
State of Minnesota named as an Additional Insured, to the extent
permitted by law

3. **Commercial Automobile Liability Insurance:** Contractor is required to maintain insurance protecting it from claims for damages for bodily injury as well as from claims for property damage resulting from the ownership, operation, maintenance or use of all owned, hired, and non-owned autos which may arise from operations under this contract, and in case any work is subcontracted the contractor will require the subcontractor to maintain Commercial Automobile Liability insurance. Insurance **minimum** limits are as follows:

\$2,000,000 – per occurrence Combined Single limit for Bodily Injury and Property
Damage In addition, the following coverages should be included:
Owned, Hired, and Non-owned Automobile

4. **Professional/Technical, Errors and Omissions, and/or Miscellaneous Liability Insurance**
This policy will provide coverage for all claims the contractor may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Contractor's professional services required under the contract.

Contractor is required to carry the following **minimum** limits:

\$2,000,000 – per claim or event
\$2,000,000 – annual aggregate

Any deductible will be the sole responsibility of the Contractor and may not exceed \$50,000 without the written approval of the State. If the Contractor desires authority from the State to have a deductible in a higher amount, the Contractor shall so request in writing, specifying the amount of the desired deductible and providing financial documentation by submitting the most current audited financial statements so that the State can ascertain the ability of the Contractor to cover the deductible from its own resources.

The retroactive or prior acts date of such coverage shall not be after the effective date of this Contract and Contractor shall maintain such insurance for a period of at least three (3) years, following completion of the work. If such insurance is discontinued, extended reporting period coverage must be obtained by Contractor to fulfill this requirement.

C. Additional Insurance Conditions:

- Contractor's policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of Contractor's performance under this contract;
- If Contractor receives a cancellation notice from an insurance carrier affording coverage herein, Contractor agrees to notify the State of Minnesota within five (5) business days with a copy of the cancellation notice, unless Contractor's policy(ies) contain a provision that

coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to the State of Minnesota;

- Contractor is responsible for payment of Contract related insurance premiums and deductibles;
- If Contractor is self-insured, a Certificate of Self-Insurance must be attached;
- Contractor's policy(ies) shall include legal defense fees in addition to its liability policy limits, with the exception of B.4 above;
- Contractor shall obtain insurance policy(ies) from insurance company(ies) having an "AM BEST" rating of A- (minus); Financial Size Category (FSC) VII or better, and authorized to do business in the State of Minnesota; and
- An Umbrella or Excess Liability insurance policy may be used to supplement the Contractor's policy limits to satisfy the full policy limits required by the Contract.

- D. The State reserves the right to immediately terminate the contract if the contractor is not in compliance with the insurance requirements and retains all rights to pursue any legal remedies against the contractor. All insurance policies must be open to inspection by the State, and copies of policies must be submitted to the State's authorized representative upon written request.
- E. The successful responder is required to submit Certificates of Insurance acceptable to the State of MN as evidence of insurance coverage requirements prior to commencing work under the contract.

State Of Minnesota – Affirmative Action Certification

If your response to this solicitation is or could be in excess of \$100,000, complete the information requested below to determine whether you are subject to the Minnesota Human Rights Act (Minnesota Statutes 363A.36) certification requirement, and to provide documentation of compliance if necessary. **It is your sole responsibility to provide this information and—if required—to apply for Human Rights certification prior to the due date of the bid or proposal and to obtain Human Rights certification prior to the execution of the contract. The State of Minnesota is under no obligation to delay proceeding with a contract until a company receives Human Rights certification.**

BOX A – For companies which have employed more than 40 full-time employees within Minnesota on any single working day during the previous 12 months. All other companies proceed to BOX B.

Your response will be rejected unless your business:

has a current Certificate of Compliance issued by the Minnesota Department of Human Rights (MDHR)
—or—

has submitted an affirmative action plan to the MDHR, which the Department received prior to the date the responses are due.

Check one of the following statements if you have employed more than 40 full-time employees in Minnesota on any single working day during the previous 12 months:

- ☐ We have a current Certificate of Compliance issued by the MDHR. **Proceed to BOX C. Include a copy of your certificate with your response.**
- ☐ We do not have a current Certificate of Compliance. However, we submitted an Affirmative Action Plan to the MDHR for approval, which the Department received on _____ (date). **Proceed to BOX C.**
- ☐ We do not have a Certificate of Compliance, nor has the MDHR received an Affirmative Action Plan from our company. **We acknowledge that our response will be rejected. Proceed to BOX C. Contact the Minnesota Department of Human Rights for assistance.** (See below for contact information.)

Please note: Certificates of Compliance must be issued by the Minnesota Department of Human Rights. Affirmative Action Plans approved by the Federal government, a county, or a municipality must still be received, reviewed, and approved by the Minnesota Department of Human Rights before a certificate can be issued.

BOX B – For those companies not described in BOX A Check

below.

- ☐ We have not employed more than 40 full-time employees on any single working day in Minnesota within the previous 12 months. **Proceed to BOX C.**

BOX C – For all companies

By signing this statement, you certify that the information provided is accurate and that you are authorized to sign on behalf of the responder. You also certify that you are in compliance with federal affirmative action requirements that may apply to your company. (These requirements are generally triggered only by participating as a prime or subcontractor on federal projects or contracts. Contractors are alerted to these requirements by the federal government.)

Name of Company: _____ Date _____

Authorized Signature: _____ Telephone _____ number: _____

Printed Name: _____ Title: _____

For assistance with this form, contact:

Minnesota Department of Human Rights, Compliance & Community Relations

Mail: The Freeman Building 625 Robert Street North, Saint Paul, MN 55155 TC Metro: (651) 296-5663 Toll Free: 800-657-3704

Web: www.humanrights.state.mn.us Fax: (651) 296-9042 TTY: (651) 296-1283

Email: compliance.mdhr@state.mn.us

State of Minnesota – Equal Pay Certificate

If your response could be in excess of \$500,000, please complete and submit this form with your submission. **It is your sole responsibility to provide the information requested and when necessary to obtain an Equal Pay Certificate (Equal Pay Certificate) from the Minnesota Department of Human Rights (MDHR) prior to contract execution. You must supply this document with your submission.** Please contact MDHR with questions at: 651-539-1095 (metro), 1-800-657-3704 (toll free), 711 or 1-800-627-3529 (MN Relay) or at compliance.MDHR@state.mn.us.

Option A – If you have employed 40 or more full-time employees on any single working day during the previous 12 months in Minnesota or the state where you have your primary place of business, please check the applicable box below:

- ☐ Attached is our current MDHR Equal Pay Certificate.
- ☐ Attached is MDHR’s confirmation of our Equal Pay Certificate application.

Option B – If you have not employed 40 or more full-time employees on any single working day during the previous 12 months in Minnesota or the state where you have your primary place of business, please check the box below.

- ☐ We are exempt. We agree that if we are selected we will submit to MDHR within five (5) business days of final contract execution, the names of our employees during the previous 12 months, date of separation if applicable, and the state in which the persons were employed. Documentation should be sent to compliance.MDHR@state.mn.us.

The State of Minnesota reserves the right to request additional information from you. **If you are unable to check any of the preceding boxes, please contact MDHR to avoid a determination that a contract with your organization cannot be executed.**

Your signature certifies that you are authorized to make the representations, the information provided is accurate, the State of Minnesota can rely upon the information provided, and the State of Minnesota may take action to suspend or revoke any agreement with you for any false information provided.

Authorized Signature	Printed Name	Title
Organization	MN/FED Tax ID#	Date
Issuing Entity	Project # or Lease Address	

STATE OF MINNESOTA
AFFIDAVIT OF NONCOLLUSION

I swear (or affirm) under the penalty of perjury:

1. That I am the Responder (if the Responder is an individual), a partner in the company (if the Responder is a partnership), or an officer or employee of the responding corporation having authority to sign on its behalf (if the Responder is a corporation);
2. That the attached proposal submitted in response to the Minnesota Housing Finance Agency Request for Proposals has been arrived at by the Responder independently and has been submitted without collusion with and without any agreement, understanding or planned common course of action with, any other Responder of materials, supplies, equipment or services described in the Request for Proposal, designed to limit fair and open competition;
3. That the contents of the proposal have not been communicated by the Responder or its employees or agents to any person not an employee or agent of the Responder and will not be communicated to any such persons prior to the official opening of the proposals; and
4. That I am fully informed regarding the accuracy of the statements made in this affidavit.

Responder's Firm Name: _____

Authorized Representative (Please Print) _____

Authorized Signature: _____

Date: _____

Subscribed and sworn to me this _____ day of _____

Notary Public Signature: _____

My commission expires: _____

STATE OF MINNESOTA RESIDENT VENDOR FORM

In accordance with Laws of Minnesota 2013, Chapter 142, Article 3, Section 16, amending Minn. Stat. § 16C.02, subd. 13, a “Resident Vendor” means a person, firm, or corporation that:

- (1) is authorized to conduct business in the state of Minnesota on the date a solicitation for a contract is first advertised or announced. It includes a foreign corporation duly authorized to engage in business in Minnesota;
- (2) has paid unemployment taxes or income taxes in this state during the 12 calendar months immediately preceding submission of the bid or proposal for which any preference is sought;
- (3) has a business address in the state; and
- (4) has affirmatively claimed that status in the bid or proposal submission.

To receive recognition as a Minnesota Resident Vendor (“Resident Vendor”), your company must meet each element of the statutory definition above by the solicitation opening date and time. If you wish to affirmatively claim Resident Vendor status, you should do so by submitting this form with your bid or proposal.

Resident Vendor status may be considered for purposes of resolving tied low bids or the application of a reciprocal preference.

I HEREBY CERTIFY THAT THE COMPANY LISTED BELOW:

1. Is authorized to conduct business in the State of Minnesota on the date a solicitation for a contract is first advertised or announced. *(This includes a foreign corporation duly authorized to engage in business in Minnesota.)*
☐ Yes ☐ No (must check yes or no)
2. Has paid unemployment taxes or income taxes in the State of Minnesota during the 12 calendar months immediately preceding submission of the bid or proposal for which any preference is sought.
☐ Yes ☐ No (must check yes or no)
3. Has a business address in the State of Minnesota
☐ Yes ☐ No (must check yes or no)
4. Agrees to submit documentation, if requested, as part of the bid or proposal process, to verify compliance with the above statutory requirements.
☐ Yes ☐ No (must check yes or no)

BY SIGNING BELOW, you are certifying your compliance with the requirements set forth herein and claiming Resident Vendor status in your bid or proposal submission.

Name of Company: _____ Date: _____

Authorized Signature: _____ Telephone: _____

Printed Name: _____ Title: _____

IF YOU ARE CLAIMING RESIDENT VENDOR STATUS, SIGN AND RETURN THIS FORM WITH YOUR BID OR PROPOSAL SUBMISSION